

ALLEN B. DANIELS
ATTORNEY & COUNSELOR AT LAW
1177 WEST LOOP SOUTH
SUITE 1725
HOUSTON, TEXAS 77027

713/626-0215
FAX: 713/626-0276

May 12, 2003

RECEIVED
MAY 14 PM 2:04
AMT 17 6-GRAND

158199



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Attention: Ms. Janice Bivens,
Enforcement Officer (6SF-AC) Region 6
1445 Ross Avenue, Suite 1200
Dallas Texas 75202-2733

Re: Gulfco Marine Maintenance, Inc.
Freeport, Brazoria County, Texas

Dear Ms. Bivens:

My office represents LDL COASTAL LIMITED, L.P. (referred to herein as LDL). We have been ask to respond to the "Notice" letter from your Agency dated March 11, 2003 regarding the captioned site.

LDL acquired approximately 35 acres from Janet Casciato-Northrup, Trustee of the Chapter 7 Bankruptcy Estate of Hercules Marine Services Corporation on August 2, 1999. A copy of that deed, with the specific legal description is enclosed herewith. *(Generally, the tract consists of Lots 21, 22, 23, 24, 25, 55, 57, and 58 of the Brazos Coast Investment Company subdivision No. 8, in the F. J. Calvit League, Abstract No. 51, Brazoria County, Texas, according to the map or plat thereof recorded in Vol. 2, Page 141 et seq. of the Plat Records of Brazoria County, Texas.)*

In direct response to the Questions contained in the Information Request portion of your letter, LDL submits the following:

- A. LDL has no relationship with any of the parties listed in Enclosure "A" of your "Notice" letter, other than with LDL Management, LLC, which is the General Partner of LDL. A copy of the LDL's Certificate of Limited Partnership, reflecting LDL Management, LLC as the General Partner is enclosed herewith.
- B. At the time LDL purchased its tract, there were no pits located on the tract purchased by LDL. There was a "large" and a "small" pond on Lot 55 purchased by LDL. Based on the sampling conducted on these ponds prior to LDL's purchase on August 2, 1999, there were no

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Attention: Ms. Janice Bivens
May 12, 2003

----- Page 2 -----

samples showing contaminants above regulatory limits. A copy of the Site Characterization Report prepared by LT Environmental, Inc. has been provided to Ms. Stacey Bennett of your office.

C. Yes. According to the LT Environmental, Inc. Report, at the time LDL purchased the tract there were 21 Storage Tanks (AST) and 103 Drums located on the tract purchased by LDL. Some of the ASTs and some of the Drums contained Hazardous Waste and some contained Non-Hazardous Waste. Some were empty. The contents and quantity of each AST and each Drum has been addressed in the Report from LT Environmental, Inc.

1. The identity of the source of the hazardous materials is unknown to LDL – except that it was present on the tract at the time LDL acquired the property.
2. The identity of the transporter of the hazardous materials to the tract is unknown to LDL – except that it was present on the tract at the time LDL acquired the property.
3. The date the hazardous materials were received at the tract is unknown to LDL – except that it was present on the tract at the time LDL acquired the property.
4. The identity and the quantity of the hazardous materials located on the tract at the time LDL acquired the property is set forth in detail in the Site Characterization Report prepared by LT Environmental, Inc. dated June, 1999, which Report is incorporated herein by reference for all purposes.
5. Neither LDL nor any related company ever used any of the hazardous waste materials located on the tract.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Attention: Ms. Janice Bivens

May 12, 2003

----- Page 3 -----

6. LDL disposed of some of the hazardous materials located on the tract in the following manner:

- a. Working through Pelican Environmental Services, on September 20, 1999, LDL disposed of all hazardous waste materials contained in the 55-gallon drums located on the tract when LDL acquired it.
- b. On September 20, 1999, under state manifest #01034544, LDL released 45 drums of hazardous waste materials to CET Environmental Services for transport to Greenway Environmental Inc. in Haskell Oklahoma. Copies of the manifest and other documents regarding this disposal are enclosed herewith. All other drums, either empty or containing non-hazardous waste, were disposed of in a conventional manner.
- c. All other hazardous waste materials located on the tract when LDL acquired it, and as indicated in the Report from LT Environmental, Inc., remain on the tract.

7. Since the 35 acre tract was acquired by LDL, there has been no hazardous materials transported to the tract.

Since acquiring the 35-acre tract in the summer of 1999, LDL has continually worked to clean up the trash and debris from the property, including the removal of several dilapidated metal buildings and the dry-dock located on the property. It has also sold several items of scrap and used equipment off of the property. However, LDL has not used the property for any purpose and there has been no commercial activity on the property since its acquisition except the following:

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Attention: Ms. Janice Bivens

May 12, 2003

----- Page 4 -----

1. On two occasions, LDL has allowed fabricators to use its dock to off-load large vessels being transported on the inter-coastal canal.
2. LDL has permitted a ferryboat to be moored in its "slip" off the inter-coastal canal for several months while being loaded with industrial equipment.
3. On April 1, 2002, LDL leased 0.758 acres out of Lot 23 and three (3) storage tanks to ECO-TERRA TECHNOLOGIES GROUP, L.L.C. for a term of five years to store crude oil. The tenant abandoned the lease in September 2002. A copy of the lease agreement is enclosed herewith.

Rumor and unsubstantiated reports received by LDL regarding these environmental issues suggest that a large "disposal pit" to accommodate the "sludge" from a barge cleaning operation was dug on Lot 56 in the late 1950s or early 1960s. If that is true, it may explain the reason that Lot 56 was omitted from the sale of this tract on January 20, 1989 when Fisk Engineering sold the property to Hercules Offshore. This may also explain why the Gulfco Marine Maintenance, Inc. site is listed as a 40-acre site. When LDL acquired the 35-acre tract, Lot 56 was not included.

After reviewing all the environmental information provided by the T.N.R.C.C. prior to LDL purchasing this tract, the records and correspondence in our files, and relying on the Site Characterization Report prepared by LT Environmental, Inc., LDL sees no reason to conclude that there is residual effect from any hazardous substances released into the environment from the 35 acres tract it acquired from Janet Casciato-Northrup, Trustee of the Chapter 7 Bankruptcy Estate of Hercules Marine Services Corporation on August 2, 1999.

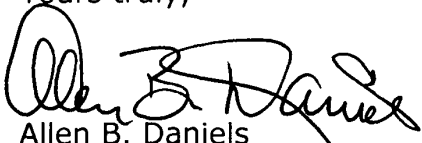
Accordingly, LDL COASTAL LIMITED, L.P. denies it has any responsibility or liability under CERCLA, 42, U.S.C. §§ 9601-9675 for the cleanup of the captioned Site or for cost incurred by the EPA in the cleaning up of the captioned Site.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Attention: Ms. Janice Bivens
May 12, 2003

----- Page 5 -----

Since it became the record owner of the 35-acre tract, LDL has fully cooperated with the T.N.R.C.C. and allowed full and complete access to the property whenever and for so long as it desired, for inspection and other desired purposes. LDL has recently granted its unconditional consent and approval for your Agency to enter upon the property for inspection and other desired purposes. It continues to be the intent and desire of LDL to fully cooperate and assist your Agency in its efforts regarding this Site. Please let me know if we can be of further help.

Yours truly,



Allen B. Daniels
Attorney for LDL COASTAL LIMITED, L.P.

Enclosures

ABD/jan

Cc: Ms. Stacey Bennett
Remedial Project Manager

Hand Delivered

Ms. Barbara A. Nann
Assistant Regional Counsel

1st Class Mail

LDL Management, LLC
LDL Coastal Ltd., General Partner

1st Class Mail

48 43 286 213
Alamo Title 03 *5k*

*5
11
17-
K861*
99 036339

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

TO EFFECTIVE 8-3-99
THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §
KNOW ALL MEN BY THESE PRESENTS:

Pursuant to that certain Order Granting Trustee's Motion For Authority To Sell Property Of The Estate Free And Clear Of All Interests Pursuant to 11 U.S.C. §363(b) and §363(f) With Any Valid Lien(s) To Attach To The Sale Proceeds, dated February 8, 1999, entered in Case No. 98-34630-H2-7; *In re Hercules Marine Services Corporation*, the United States Bankruptcy Court for the Southern District of Texas, Houston, Division, authorizing the conveyance of the Property defined below,

JANET CASCIATO-NORTHROP, TRUSTEE OF THE CHAPTER 7 BANKRUPTCY ESTATE OF HERCULES MARINE SERVICES CORPORATION, ("Grantor"), for and in consideration of the Orders of the United States Bankruptcy Court and of Ten Dollars (\$10.00) and other good and valuable consideration paid to the Grantor, and for and in further consideration of the payment of a portion of the purchase price by HOUSTON COMMERCE BANK, a state banking organization ("Beneficiary"), and as evidence of such advancement Grantee, as hereinafter defined, has executed its one certain promissory note of even date herewith payable to the Beneficiary, in the original principal sum of THREE HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$325,000.00) bearing interest and being due as therein provided, which note is secured by the vendor's lien herein reserved, and is additionally secured by a Deed of Trust and Security Agreement of even date herewith, executed by the Grantee herein to P. MICHAEL WELLS, Trustee, reference to which is here made for all purposes, has GRANTED and CONVEYED, and by these presents does GRANT and CONVEY unto LDL COASTAL LIMITED, L.P., ("Grantee") whose address is P.O. BOX 24727
HOUSTON, TEXAS 77229, all of the following described real property and premises situated in Brazoria County, Texas, together with all improvements thereon (the "Property");

All those certain tracts or parcels of land out of the BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8, F. J. Calvit League, Abstract 51, Brazoria County, Texas, and being more particularly described on Exhibit "A," which is attached hereto and made a part hereof for all purposes.

Grantor hereby transfers, sets over, assigns and conveys unto the Beneficiary and assigns the vendor's lien and superior title herein retained and reserved against the Property and premises herein conveyed in the same manner and to the same extent as if said note had been executed in Grantor's favor and said Grantor assigned to Beneficiary without recourse.

This Deed is executed by the Grantor and accepted by the Grantee subject to the matters herein stated and any easement, right-of-way and prescriptive right, whether of record or not; any restriction, ordinance, condition, reservation, building set-back line, mineral reservation, mineral lease, royalty interest, maintenance charge, assessment, agreement, covenant, encumbrance and other matter applicable and enforceable against the Property, as reflected by the records of the County Clerk of Harris County, Texas, but only to the extent the same validly exists and affects the Property;

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon, or photo-copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

HERC:0001:305888-1

Alamo Title
001901

rights of adjoining owners to any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or any overlapping improvements, and real property taxes.

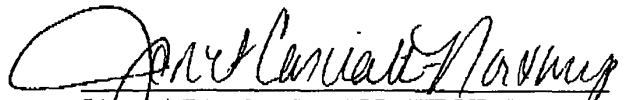
TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, his heirs and assigns, forever; and Grantor does hereby bind himself, his successors and legal representatives, to WARRANT AND FOREVER DEFEND the Property unto Grantee, his heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject only to the matters set forth in this Deed. But it is expressly agreed and stipulated that the vendor's lien and superior title is herein retained to the extent of that portion of the purchase price funded by Beneficiary against the above-described property, premises and improvements, until the above described note, and all interest thereon is fully paid according to its face and tenor, effect and reading, when this Deed shall become absolute.

GRANTOR AND GRANTEE ACKNOWLEDGE AND AGREE THAT GRANTOR HAS ACQUIRED THE PROPERTY IN THE CAPACITY INDICATED IN THE ORDER OF SALE COVERING THE PROPERTY, AND CONSEQUENTLY GRANTOR HAS LITTLE, IF ANY, KNOWLEDGE OF THE PHYSICAL OR ECONOMIC CHARACTERISTICS OF THE PROPERTY. ACCORDINGLY, GRANTOR HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING (i) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, AND THE SUITABILITY THEREOF AND OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY ELECT TO CONDUCT THEREON, AND THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON OR COMPLIANCE WITH ALL APPLICABLE LAWS, RULES OR REGULATIONS; (ii) EXCEPT FOR ANY WARRANTY OF TITLE CONTAINED IN THIS DEED, THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION, MINERAL, ROYALTY OR OTHERWISE; AND (iii) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY.

GRANTEE ACKNOWLEDGES THAT HE HAS INSPECTED THE PROPERTY AND GRANTEE HAS RELIED SOLELY ON HIS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES THAT THE INFORMATION PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND GRANTOR (1) HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION; AND (2) DOES NOT MAKE ANY REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED THAT ALL OR PART OF THE PROPERTY IS OR MAY BE WITHIN THE 100-YEAR FLOOD PLAIN AS DETERMINED BY THE GOVERNMENTAL ENTITY HAVING JURISDICTION OVER SAME.

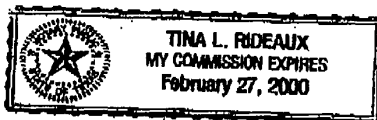
THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" BASIS, AND GRANTEE EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF GRANTOR HEREIN, EXCEPT AS OTHERWISE SPECIFIED HEREIN, GRANTOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN RESPECT OF THE PROPERTY.

EXECUTED on this date August 2, 1999.


JANET CASCIATO-NORTHRUP, TRUSTEE
OF THE CHAPTER 7 BANKRUPTCY
ESTATE OF HERCULES MARINE
SERVICES CORPORATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of August, 1999, by , JANET CASCIATO-NORTHRUP, TRUSTEE OF THE CHAPTER 7 BANKRUPTCY ESTATE OF HERCULES MARINE SERVICES CORPORATION.




Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

P. O. BOX 24727
HOUSTON, TEXAS 77229

EXHIBIT "A"

TRACT NO. 21:

TRACT NO. 21 OUT OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8 IN THE F.J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS, AND BEING THREE SEPARATE TRACTS AND BEING ALL OF THE SAID TRACT NO. 21, LYING NORTH OF THE INTRACOASTAL CANAL AND BEING MORE PARTICULARLY DESCRIBED ON EXHIBIT "A" ATTACHED.

TRACT NO. 22:

TRACT NO. 22, BRAZOS COAST INVESTMENT COMPANY SUBDIVISION, DIVISION NO. 8, F. J. CALVIT LEAGUE, ABSTRACT 51, IN BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF DULY RECORDED IN THE OFFICE OF THE COUNTY CLERK OF BRAZORIA COUNTY, TEXAS, THE SAME BEING THE SAME PROPERTY CONVEYED TO GULFCO MARINE MAINTENANCE, INC. FROM B. L. TANNER BY DEED DATED THE 14TH DAY OF MAY 1970, OF RECORD IN VOLUME 1060, PAGE 535, DEED RECORDS OF BRAZORIA COUNTY, TEXAS.

TRACT NO. 23:

TRACT NO. 23 OUT OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8 IN THE A. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGE 141 - 144 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS.

TRACT NO. 24:

TRACT 24, BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8, F.J. CALVIT LEAGUE, ABSTRACT 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF DULY RECORDED IN VOLUME 2, PAGE 141 - 144, PLAT RECORDS, BRAZORIA COUNTY, TEXAS.

TRACT NO. 25:

TRACT 25, BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8, F.J. CALVIT LEAGUE, ABSTRACT 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF DULY RECORDED IN VOLUME 2, PAGE 141 - 144, PLAT RECORDS, BRAZORIA COUNTY, TEXAS.

TRACT NO. 55:

TRACT 55, BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8, F.J. CALVIT LEAGUE, ABSTRACT 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF DULY RECORDED IN VOLUME 2, PAGE 141 - 144, PLAT RECORDS, BRAZORIA COUNTY, TEXAS.

TRACT NO. 57:

TRACT 57, OUT OF DIVISION 8 OF THE B.C.I.C. SUBDIVISION; F.J. CALVIT LEAGUE, ABSTRACT 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGE 143 - 144 OF THE PLAT RECORDS OF BRAZORIA COUNTY,

TRACT NO. 58:

TRACT 58, OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION NO. 8, IN THE F.J. CALVIT LEAGUE. ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGE 141 - 144 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS.

EXHIBIT

A

Tract No. 21 out of the Brazos Coast Investment Company Subdivision No. 8, in the A. Calvit League, Abstract No. 51, Brazoria County, Texas, and being three separate tracts and being all of the said Tract No. 21, and lying North of the Intracoastal Canal and being described as follows:

Beginning at an iron rod in the Northwest line of the said Tract No. 21, which bears South 45 degrees 16 minutes East a distance of 30.0 feet from the original North corner of the said Tract No. 21, and being in the Southeast right-of-way line of County Road No. 756;

Thence South 45 degrees 16 minutes East a distance of 661.0 feet to a point for corner and being on the bank of the Intracoastal Canal;

Thence Southwesterly along the bank of the Intracoastal Canal with the following bearings:

South 48 degrees 44 minutes West a distance of 46.11 feet;

South 50 degrees 30 minutes West a distance of 131.60 feet;

South 42 degrees 40 minutes West a distance of 45.96 feet to a point for corner and being in the Southwest line of the said Tract No. 21;

Thence North 45 degrees 36 minutes West along the Southwest line of the said Tract No. 21 a distance of 654.0 feet to an iron rod for corner and being in the Southeast right-of-way line of County Road No. 756;

Thence North 44 degrees 24 minutes East along the Southeast right-of-way line of County Road No. 756 a distance of 263.7 feet to the place of beginning and containing 3.974 acres of land, more or less.

| | |
|--------------|--------------|
| SECURITY FEE | 1.00 |
| NIGHT-PRES | 5.00 |
| RECORDING | 11.00 |
| TOTAL | 17.00 |

| | | |
|--------|-------|-------|
| FILE # | 36339 | 17.00 |
| CHECK | | 17.00 |

DRAWER-A 1
0001 2127-0000 0064 8/ 9/99 4:49PM NOW

FILED FOR RECORD

99 AUG -6 PM 3: 56

Joyce Hudman
COUNTY CLERK
BRAZORIA COUNTY TEXAS

STATE OF TEXAS
COUNTY OF BRAZORIA
I, JOYCE HUDMAN, Clerk of the County Court in and for Brazoria County, Texas do hereby certify that this instrument was FILED FOR RECORD and RECORDED in the OFFICIAL RECORD at the time and date as stamped hereon by me.



Joyce Hudman
County Clerk of Brazoria Co., TX

FILED
In the Office of the
Secretary of State of Texas

JUL 16 1999

CERTIFICATE OF LIMITED PARTNERSHIP

Corporations Section

The undersigned General Partner, desiring to form a limited partnership under the provisions of the Texas Revised Limited Partnership Act, certifies as follows:

1. The name of the partnership is LDL COASTAL LIMITED, L.P.
2. The address of the partnership's registered office is 1177 West Loop South, Suite 1725, Houston, Texas 77027. The name of the partnership's registered agent for service of process is ALLEN B. DANIELS. The address of the agent is 1177 West Loop South, Suite 1725, Houston, Texas 77027.
3. The address of the principal office where records are required to be kept or made available is 1177 West Loop South, Suite 1725, Houston, Texas 77027.
4. The name, mailing address, and street address of the business or residence of the General Partner is as follows:

| <u>Name</u> | <u>Mailing Address</u> | <u>Business or Residence Address</u> |
|------------------------|--|---|
| LDL MANAGEMENT, LLC | 1177 W. Loop South, # 1725 Houston, Texas 77027 | 1177 W. Loop South, #1725 Houston, Texas 77027 |

5. This certificate of limited partnership shall be effective on the date of filing with the Secretary of State.

I affirm, under the penalties of perjury, that this certificate is executed on the July 14 of 1999, and to the best of my knowledge and belief, the facts stated in this certificate are true.

LDL MANAGEMENT, LLC,
a Texas limited liability company,
the General Partner

BY: Morris B. Linder
MORRIS B. LINDER, President

0399RFD.048b

Pelican Environmental Services

P.O. BOX 572171

Houston, TX 77257-2171

Invoice

| DATE | INVOICE # |
|-----------|-----------|
| 9/29/1999 | 1043 |

| BILL TO |
|---|
| LDL Coastal Limited L.P. PO BOX 24727 Houston Tx 77229 Attn: M.B. Linder |

| P.O. NO. | TERMS | PROJECT |
|----------|--------|---------|
| | Net 30 | |

| QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|---|--------|----------|
| 45 | DISPOSAL OF HAZARDOUS WASTE SOLID & LIQUID 55 GALLON DRUMS - CLEAN UP HERCULES MARINE SERVICES TXD98062612 (EPI ID #) MANIFEST#01034544 | 205.00 | 9,225.00 |
| 45 | TRANSPORTATION TO FACILITY | 25.00 | 1,125.00 |
| 1 | State Disposal Fees (\$9 PER TON) | 121.68 | 121.68 |

Thank you for your business.

Total

\$10,471.68

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
P.O. Box 13087
Austin, Texas 78711-3087



Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

Form approved. OMB No. 2050-0039, expires 09/30/95

| | | | | | | | | | |
|--|--|---|--|------------------------------------|--------------------|---|-----------------|---|--|
| UNIFORM HAZARDOUS WASTE MANIFEST | | 1. Generator's US EPA ID No. T X D 9 8 0 6 2 6 1 2 1 | | Manifest Document No. 9 9 0 0 1 | | 2. Page 1 of 1 | | Information in the shaded areas is not required by Federal law. | |
| 3. Generator's Name and Mailing Address HERCULES MARINE SERVICES 906 MARLIN AVE. COUNTY RD 756 FREEPORT TX 77541 | | | | | | A. State Manifest Document Number 01034544 | | | |
| 4. Generator's Phone (281) 651-0689 | | | | | | B. State Generator's ID OK# 998434 | | | |
| 5. Transporter 1 Company Name CET ENV SERV. | | | | | | C. State Transporter's ID 83375 | | | |
| 6. US EPA ID Number TXR 00 00 1 4076 | | | | | | D. Transporter's Phone (713) 473-6200 | | | |
| 7. Transporter 2 Company Name | | | | | | E. State Transporter's ID | | | |
| 8. US EPA ID Number | | | | | | F. Transporter's Phone | | | |
| 9. Designated Facility Name and Site Address Greenway Environmental Inc. 6 miles N on HWY 64 Haskell OK 74436 | | | | | | G. State Facility's ID | | | |
| 10. US EPA ID Number OKD 089761290 | | | | | | H. Facility's Phone (918) 482-2000 | | | |
| 11A. HM | 11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID Number) | | | | 12. Containers No. | 13. Total Quantity | 14. Unit Wt/Vol | 15. Waste No. | |
| a. | RQ Hazardous Waste Solid, n.o.s. (Benzene, trichloroethylene) 9, NA3077 PC-III | | | | 30 71 | 18 074 6600 | P | D018, D022 D028, D039 D040 | |
| b. | RQ Hazardous Waste Solid n.o.s. (Benzene, Chloroform) 9, NA3077 PC-III | | | | 9 11 | 5359 6550 | P | D018, D019 D022, D028 D029, D039 | |
| c. | RQ Hazardous Waste liquid, n.o.s. (Benzene, Chloroform) 9, NA 3082 PC-III | | | | 2 11 | 1227 6750 | P | D018, D019 D021, D022 D028, D029 | |
| d. | RQ Hazardous Waste liquid, n.o.s. (Benzene, Trichloroethylene) 9, NA 3082 PC-III | | | | 4 12 | 2380 7140 | P | D018, D028 D040 | |
| J. Additional Descriptions for Materials Listed Above | | | | | | K. Handling Codes for Wastes Listed Above | | | |
| 11a. 10-7043 (Solid) | | | | | | D035, D039, D040, D043 | | | |
| 11c. 10-7045 (oil, waste) | | | | | | | | | |
| 11b. 10-7044 (Soil/carbon filters) | | | | | | D040 | | | |
| 11d. 10-7046 Liquid/soil mix | | | | | | | | | |
| 15. Special Handling Instructions and Additional Information | | | | | | | | | |
| 11a. ERG 171 11c. ERG 171 Emergency Number (281) 651-0689 | | | | | | | | | |
| 11b. ERG 171 11d. ERG 171 | | | | | | | | | |
| 16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations, including applicable state regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford. | | | | | | | | | |
| Printed/Typed Name BILLY J. LOSACK (Agent) | | | | | | Signature [Signature] | | Month Day Year 9 20 99 | |
| 17. Transporter 1 Acknowledgement of Receipt of Materials | | | | | | | | | |
| Printed/Typed Name P. THOMAS | | | | | | Signature [Signature] | | Month Day Year 09 20 99 | |
| 18. Transporter 2 Acknowledgement of Receipt of Materials | | | | | | | | | |
| Printed/Typed Name | | | | | | Signature | | Month Day Year | |
| 19. Discrepancy Indication Space per Ken Miller Change Section 12+13 on 11a, 11b. 11c, 11d. ENA 9-21-99 | | | | | | | | | |
| 20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19. | | | | | | | | | |
| Printed/Typed Name Mark Bowden | | | | | | Signature [Signature] | | Month Day Year 10 9 21 99 | |

White - original Pink - TSD Facility Yellow - Transporter Green - Generator's first copy

When using the Uniform Waste Manifest for rail or water (bulk shipment) or international shipments refer to the applicable TNRCC regulations.
REPORT SPILLS AND/OR DISCHARGES TO THE TEXAS SPILL RESPONSE CENTER AT 512/463-7727 (24 HOURS)

INSTRUCTIONS TO GENERATOR (Please Type or Print Clearly)

- (1) Enter the Generator's U.S. EPA twelve digit identification number and the unique five digit number assigned to this manifest by the generator if you are shipping hazardous waste.
- (2) Enter the total number of pages used to complete this manifest.
- (3) Enter the company name and mailing address.
- (4) Provide a phone number where an authorized agent of your firm may be reached in the event of an emergency.
- (5) Enter the company name of the first transporter and their U.S. EPA ID Number.
- (6) If applicable, enter the company name of the second transporter and their U.S. EPA ID Number. If more than two transporters are used, enter each additional transporter's information on the Continuation Sheet (EPA form 8700-22A).
- (7) Enter the company name, site address, and U.S. EPA ID Number of the facility designated to receive the waste listed on this manifest.
- (8) **COMPLETE ALL STATE OF TEXAS INFORMATION A. THROUGH H. IN THE SHADED AREAS.**
- (9) Complete the waste description table as follows:
 - (A) **ITEM 11A** - When shipping an EPA/DOT regulated hazardous waste or material in conjunction with solely state regulated waste enter an "x" in the HM-box before each EPA/DOT regulated waste/material description.
 - (B) **ITEM 11** - Enter the U.S. DOT Proper Shipping Name, Hazard Class, and ID Number (UN/NA) for each waste identified. If it is a Class I nonhazardous waste use the Texas Waste Code description.
 - (C) **ITEM 12** - Enter the number of containers for each waste and the appropriate abbreviation for type located in Subchapter A of the TNRCC Industrial Solid Waste Rules.
 - (D) **ITEM 13** - Enter the total quantity of waste described on each line.
 - (E) **ITEM 14** - Enter the appropriate letter from the table below for the unit of measure.

| | | |
|----------------------------|--------------------------|----------------------------|
| G = Gallons (liquids only) | Y = Cubic Yards | M = Metric Tons (1000 kg.) |
| P = Pounds | L = Liter (Liquids Only) | N = Cubic Meters |
| T = Tons (2000 lbs.) | K = Kilograms | |
 - (F) **ITEM 1** - Enter the appropriate TNRCC State Waste Code for each waste you are shipping.
- (10) The Generator must read, sign (by hand), and date the certification statement. If a mode other than highway is used, the word "highway" should be lined out and the appropriate mode (rail, water or air) inserted in the space below. In signing the waste minimization certification statement, those generators shipping hazardous waste who have not been exempted by statute or regulation from the duty to make a waste minimization certification are also certifying that they have complied with the waste minimization requirements.
- (11) The manifest must be signed and dated by the first transporter in the presence of the Generator. If more than one transporter is to be used, the Generator must provide additional copies for their use.
- (12) Generator retains green copy, sending remaining copies with the driver.

INSTRUCTIONS FOR THE TRANSPORTER (Please Type or Print clearly)

- (1) As driver of the transport vehicle, you are responsible for ensuring that all waste received by you arrives at the specified destination.
- (2) Sign and date the space provided, certifying the waste amounts in **PART I** were received for transport. **NOTE:** If you are unable to carry out the delivery of the shipment as specified, dial the emergency phone numbers given in **PART I** notifying the **GENERATOR**.
- (3) Upon delivery of the shipment, the TSD Facility Owner/Operator is to sign for the shipment in your presence and fill in "date received".
- (4) Separate the yellow copy and retain for your records. Leave the remaining copies with the TSD Facility Owner/Operator.

INSTRUCTIONS TO TREATMENT, STORAGE AND DISPOSAL (TSD) FACILITY OWNER/OPERATOR (Please Type or Print Clearly)

- (1) The authorized representative of the designated (or alternate) facility's owner or operator must note in **ITEM 19** any significant discrepancy between the waste described on the manifest and the waste actually received at the facility.
- (2) Enter date received and sign in the presence of the driver on ailing receipt of the wastes and verifying the quantities in the table in **PART I**.
- (3) Retain the pink copy for your records and return the completed original (white) copy to the **GENERATOR**.

U.S. EPA and TNRCC regulations require that copies of this Uniform Hazardous Waste Manifest be retained for a period of three (3) years in your company records. Do not send to TNRCC unless otherwise notified by these departments.

Public reporting burden for this collection of information is estimated to average 37 minutes per generator, 15 minutes for transporters, and 10 minutes for treatment, storage and disposal facilities. This includes time for reviewing instructions, gathering data, and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to: Chief, Information Policy Branch, PM-223, U.S. Environmental Protection Agency, 401 M Street SW., Washington, DC 20460, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

REQUEST FOR TEXAS WASTE CODE FOR SHIPMENT OF CLASS 1, 2, 3 AND EPA HAZARDOUS WASTE

Pursuant to the generator notification requirements of 30 TAC Section 335.6, the generator of a solid waste is required to submit to the TNRCC detailed written information pertaining to the composition and characteristics of the waste.

Please type or print legibly:

Berney Linder
Hercules Marine
P.O. Box 24727
Houston, TX 77229-4727

GENERATOR CONTACT PERSON
GENERATOR COMPANY NAME
GENERATOR MAILING ADDRESS
CITY, STATE, ZIP CODE
PHONE NO. (713) 675-7444

(LEAVE BLANK IF NOT REGISTERED)

30141
Solid Waste Registration No.
TX0980626121
U.S. EPA Identification No.

*Are you GESQG? ☐ Yes ☐ No
Are you industrial? ☒ Yes ☐ No

If industrial, have you submitted TNRCC
Initial Notification packet? ☒ Yes ☐ No
Date submitted: 1977

Generating Site Location (☐ Check if same as above) 906 MARLIN AVE Freeport, TX 77541
(STREET ADDRESS OR PHYSICAL DESCRIPTION)

Designated Treatment, Storage, and/or Disposal Facility Name and Address Greenway Environmental
Route 2 Box 71 Hwy 64 6 miles North of Haskel, OK 74436

DESCRIPTION OF WASTE
(do not use DOT description or trade name)

1. SOIL - D018 - D022 - D028 - D039 - D040
2. Soil/Liquid - D018 - D028 - D040
3. Oily Waste - D018 - D019 - D022 - D028
D039 - D040
4. Soil/CARBON FILTERS - D018 - D019
D022 - D028 - D029 - D039 - D040

GENERATOR/REPRESENTATIVE

I certify that the above information is correct to the best of my knowledge.

1. Jay MILLER, am employed by
(NAME, Please Print)

PELICAN ENVIRONMENTAL
(COMPANY NAME)
P.O. Box 572171 Houston, TX 77257
(MAILING ADDRESS)

and am authorized to sign this certification for:

Hercules Marine (Berney LINDER)
(COMPANY NAME)

(SIGNATURE)

8/18/99
(DATE)

TNRCC USE ONLY

For TNRCC Assignment of
Texas Waste Code Number
DZ5X407H
DZ5Y609H
DZ5Z603H
DZ62407H

TEXAS WASTE CODES

| FORM CODE | CLASS CODE | EPA CODE | ORIGIN CODE |
|--------------|---------------|-------------|----------------|
| 407 | H | | 2 |
| 609 | H | | 2 |
| 603 | H | | 2 |
| 407 | H | | 2 |

PROCESSED DATE: 9-2-99

PROCESSED BY: YAN

TNRCC REGION: 12

OFFICE

Mail to:

TNRCC

I & HW, Waste Evaluation Section
Waste Report Audit Team

P.O. Box 13087

Austin, Texas 78711-3087

Phone: (512) 239-6832 FAX: (512) 239-6410

713-408-2114
(PHONE NUMBER)



CET Environmental Services, Inc.

Transportation Work Ticket

JOB #

MANIFEST #

C1034544

DATE:

9/20/99

DESCRIPTION:

Industrial Waste Site

CLIENT:

PHONE #

381-651-1689

SHIPPER:

HERCULES MARINE
906 MARINA AVE. RD 756
FREEPORT, TX

CONSIGNEE:

GREENWAY Environmental
Maskett, Ok 74006

SIGNATURE:

[Signature]

SIGNATURE:

[Signature]

| | |
|------|-----------------------|
| 0530 | ON DUTY |
| 0600 | PRE-TRIP INSPECTION |
| 0800 | ARRIVE AT CUSTOMER |
| 0800 | BEGIN LOADING |
| 1200 | FINISHED LOADING |
| | ARRIVE AT DESTINATION |

| | |
|--|-----------------------|
| | ARRIVE AT DESTINATION |
| | BEGIN UNLOADING |
| | FINISH UNLOADING |
| | ARRIVE AT CET YARD |
| | POST-TRIP INSPECTION |
| | OFF DUTY |

GROSS WEIGHT

TARE WEIGHT

NET WEIGHT

ENDING ODOMETER

BEGINNING ODOMETER

TOTAL MILES

DRIVER:

R. Thomas

TRACTOR #

H-128

SIGNATURE:

[Signature]

TRAILER #

DV7711

JOB COMMENTS:

Loaded 45 drums

COMMERCIAL LEASE

This Lease is entered into between **LDL COASTAL, L.L.P.**, a Texas Limited Partnership ("Landlord"), and **ECO-TERRA TECHNOLOGIES GROUP, L.L.C.**, a Texas Limited Liability Company ("Tenant").

In consideration of the mutual covenants and agreements of this lease, and other good and valuable consideration, Landlord demises and leases to Tenant, and Tenant leases from Landlord, certain storage tanks and the premises on which they are situated at 906 Marlin Road in Freeport, Brazoria County, Texas, designated and legally described on Exhibit "A" attached to this lease, and made a part of this lease for all purposes (collectively referred to as "the premises" or "the leased premises" in this lease) on the following terms and conditions:

ARTICLE 1. TERM

§ 1.01. The term of this lease is sixty (60) months, beginning on April 1, 2002, and ending on March 31, 2007, unless terminated sooner as provided in this lease. MEX
7/2/02

§ 1.02. This lease may be terminated by either the Landlord or the Tenant upon written notice. Such notice must be given in accordance with § 12.01 hereof, and must be mailed at least ninety (90) days prior to the effective date of the termination.

ARTICLE 2. RENT, TAXES and UTILITIES

§ 2.01. Tenant will pay Landlord \$1,500.00 per month on or before the first day of each month as a fixed rent for the next month. This fixed rent will increase by \$500 per month beginning on the thirteenth (13th) month of the term of this lease, so that the fixed rent beginning on April 1, 2003 will be \$2,000.00. Tenant will pay the fixed rent to Landlord at Landlord's office, located at 8827 Clinton Drive, P.O. Box 24727, Houston, Texas 77229-4727, or at such other location or locations that Landlord may from time to time designate by written notice to Tenant. Simultaneously with the signing of this lease, Tenant has deposited with the Landlord \$3,000.00, representing the first month's rent and \$1,500.00 toward the last months rent.

§ 2.02. In addition to the fixed rent specified in § 2.01, Tenant will pay in full all real-property taxes, personal-property taxes, special assessments, and governmental charges of any kind imposed on the premises or the tanks located thereon during the lease term, including any special assessments imposed on or against the premises or the tanks for constructing or improving public works or any environmental mandate. This additional rent is payable directly to the entity imposing the tax, assessment, or charge at least 30 days before the date payment is due. Tenant will provide Landlord with a receipt or other evidence of payment for each tax, assessment, or charge paid as soon as a receipt or other evidence is available to Tenant.

§ 2.03. Tenant will pay all utility charges for water, electricity, heat, gas, and telephone installation and service used in and about the premises during the lease term. Tenant will pay the charges directly to the utility company or municipality furnishing the service before the charges are delinquent.

ARTICLE 3. USE OF PREMISES

§ 3.01. Tenant represents and warrants to Landlord that Tenant intends to use the premises and the tanks located thereon for storing crude oil. Tenant's use of the property is restricted to the purpose specified in this section unless Tenant obtains Landlord's prior written consent to any change in use. Before the lease term begins, Tenant must give Landlord an affidavit of an officer of Tenant, referred to as the "Officer's Affidavit," setting forth a detailed description of the operations that Tenant will conduct on the premises and stating any applicable permit/certificate numbers required for

such purpose. The Officer's Affidavit must be organized and prepared in a narrative form, including a description and quantification of all hazardous materials to be generated, transported, treated, stored, handled, or disposed of on the premises. After the lease term begins, Tenant must notify Landlord as to any changes in Tenant's operation or use or generation of hazardous materials by way of a supplemental Officer's Affidavit. Tenant must also supplement and update the Officer's Affidavit on each anniversary of the commencement of the lease term. Tenant may not begin or alter any operations on the property before (a) obtaining all required operating and discharge permits, certificates and/or approvals, from all governmental or public authorities having jurisdiction over the Tenant's operations or the property, and (b) providing copies of such permits, certificates and/or approvals to the Landlord.

§ 3.02. a. Tenant may not use, or permit using, the premises in any manner that results in waste of the premises or constitutes a nuisance or for any illegal purpose. Tenant, at its own expense, will comply, and will cause its officers, employees, agents, and invitees to comply, with all applicable laws, ordinances, and governmental rules and regulations concerning the use of the premises, including Hazardous Materials Laws.

b. Tenant, at its sole cost, must comply with all Hazardous Materials Laws in connection with Tenant's use of the premises.

c. Beginning in April 2002, and continuing every three (3) months thereafter during the term of this lease, Tenant must obtain a water sample from each of the three (3) monitoring wells designated on Exhibit "A" and have each such sample analyzed by a certified testing laboratory to determine the TPH (Total Petroleum Hydrocarbons) in each sample. A copy of the laboratory's report must be provided to the Landlord within 10 days from its receipt.

d. "Hazardous Materials" means any substance, material, or waste that is or becomes regulated by any local governmental agency, the State of Texas, or the federal government, including, but not limited to, any material or substance that is (1) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq., or listed pursuant to Section 307 of the Clean Water Act, 33 U.S.C. § 1317, (2) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., (3) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., (4) petroleum.

e. "Hazardous Materials Laws" means any federal, state, or local statute, ordinance, order, rule, or regulation of any type relating to the storage, handling, use, or disposal of any Hazardous Materials, the contamination of the environment, or any removal of such contamination, including, without limitation, those statutes referred to in subparagraph c.

§ 3.03. Tenant must permit Landlord and Landlord's agents, servants, and employees, including but not limited to legal counsel and environmental consultants and engineers, access to the premises for the purpose of conducting environmental inspections and sampling during regular business hours, and during other hours either by agreement of the parties or in the event of an environmental emergency. Tenant may not restrict access to any part of the premises, and Tenant may not impose any conditions to access. If Landlord's environmental inspection includes sampling and testing of the premises, Landlord must use its best efforts to avoid interfering with Tenant's use of the premises.

§ 3.04. a. Tenant must promptly supply Landlord with copies of all notices, reports, correspondence, and submissions made by Tenant to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state, or federal authority that requires submission of any information concerning environmental matters or hazardous materials pursuant to hazardous materials laws.

b. Tenant must promptly notify Landlord in advance of any scheduled meeting between Tenant and any of the agencies specified in subparagraph a.

c. Tenant must promptly notify Landlord as to any liens threatened or attached against the premises pursuant to any environmental law. If an environmental lien is filed against the premises, Tenant must, within 30 days from the date on which the lien is placed against the premises, and at any rate before the date on which any governmental authority begins proceedings to sell the premises pursuant to a lien, either: (1) pay the claim and remove the lien from the

premises; or (2) furnish either (a) a bond satisfactory to the Landlord in the amount of the claim on which the lien is based, or (b) other security satisfactory to the Landlord in an amount sufficient to discharge the claim on which the lien is based.

ARTICLE 4. REPAIRS, CLEANUPS AND MAINTENANCE

§ 4.01. Tenant will, at its own expense, clean out and make all initial repairs and any other "make ready" requirements necessary for each of the three (3) tanks hereby being leased for the intended use and obtain all requisite permits/certificates from the Texas Railroad Commission and any other local, state, or federal authority that requires permits for such intended use, and provide Landlord with copies of such permits/certificates.

§ 4.02. Tenant will, throughout the lease term and any extensions of it, at its own expense and risk, maintain the premises and the leased tanks located thereon in good order and condition, including but not limited to making all repairs necessary to keep the premises and said tanks in that condition. All maintenance and repairs required by this section must be performed promptly when required.

§ 4.03. Tenant is responsible for the payment of any cleanup costs necessary for compliance with Hazardous Materials Laws that arise as a result of Tenant's, its agents, invitees, contractors, employees, subtenants, concessionaires, or licensees discharge of hazardous materials on the premises or access ways during the Tenant's occupancy of the premises. Landlord is responsible for the cleanup costs or for ensuring that any other responsible party participate in the cleanup to the extent of its responsibility for a release.

§ 4.04. Tenant will, throughout the lease term and any extensions of it, at its own expense, maintain the roads, gates and access ways across Landlord's property that is not part of the leased premises but are used by Tenant and its agents, invitees and licensees, public or private, to deliver and transport product, and generally access the leased premises. Such roads, gates and access ways shall be maintained in good order and condition, including but not limited to making all repairs necessary to keep such roads, gates and access ways in that condition. All maintenance and repairs required by this section must be performed promptly when required.

ARTICLE 5. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

§ 5.01. Tenant may not make any alterations, additions, or improvements to the premises without Landlord's prior written consent. Landlord may not unreasonably withhold consent for nonstructural alterations, additions, or improvements.

§ 5.02. All alterations, additions, or improvements made by Tenant will become Landlord's property when the lease terminates. However, Landlord may, when the lease terminates, remove any alterations, additions, and improvements made by Tenant and any other property it placed in the premises, and charge Tenant the cost of removal plus interest.

ARTICLE 6. TRADE FIXTURES AND SIGNS

§ 6.01. Tenant may, at all times, erect or install shelves, bins, machinery, equipment, or other trade fixtures, in, on, or about the premises, if Tenant complies with all applicable governmental laws, ordinances, and regulations regarding the fixtures. Tenant may remove all trade fixtures when this lease terminates, if Tenant is not in default under the lease and the fixtures can be removed without structural damage to the building. Tenant must repair any damage to the premises caused by removing trade fixtures, and all the repairs must be completed before the lease terminates. Any trade fixtures not removed by Tenant when this lease terminates are considered abandoned by Tenant and will automatically become Landlord's property. If any trade fixture installed by Tenant is abandoned when the lease terminates, Tenant must pay Landlord any reasonable expense actually incurred by Landlord to remove the fixture from the premises.

§ 6.02. Tenant may erect signs on any portion of the premises, with Landlord's prior consent, subject to applicable laws, ordinances, and regulations. Tenant must remove all signs when this lease terminates and repair any damage resulting from erecting or removing the signs.

ARTICLE 7. INSURANCE AND INDEMNITY

§ 7.01. Tenant must, at its own expense during the lease term, keep the premises insured against loss or damage by fire, with extended coverage if obtainable at a price not to exceed two (2%) percent of the fair market value of the property to be insured per year, in the total amounts of not less than the full fair insurable value of the leased tanks and other improvements. The insurance is to be carried by one or more insurance companies authorized or admitted to do business in Texas. Choice of an insurance company is subject to approval by Landlord, who will not unreasonably withhold approval. The insurance policy or policies must name both Landlord and Tenant as insureds. The policies must provide that any proceeds for loss or damage the leased tanks are payable solely to Landlord, who will use the sum for repair and restoration purposes.

§ 7.02. Tenant, at its own expense, must provide and maintain in force during the lease term, liability insurance in the amount of \$ 2,000,000.00. This insurance is to be carried by one or more insurance companies authorized or admitted to transact business in Texas. Choice of an insurance company is subject to approval by Landlord, who will not unreasonably withhold approval. The policy must cover Landlord as well as Tenant, for any liability for property damage, environmental damage or personal injury arising from Tenant's occupying or Landlord's owning the premises.

§ 7.03. Tenant must furnish Landlord with certificates of all insurance required by this article.

§ 7.04. Tenant must indemnify, defend, and hold harmless Landlord from and against all claims, liabilities, losses, damages, and costs, foreseen or unforeseen, including without limitation counsel, engineering, and other professional or expert fees, that Landlord may incur by reason of Tenant's action or inaction with regard to Tenant's obligations under Articles 3 and 4 of this lease. This section survives the expiration or earlier termination of this lease.

§ 7.05. Landlord must indemnify, defend, and hold Tenant harmless from and against all claims, liabilities, losses, damages, and costs, foreseen and unforeseen, including without limitation counsel, engineering, and other professional or expert fees that Tenant may incur by reason of Landlord's action or inaction with regard to Landlord's obligations under § 4.03. This section survives the expiration or earlier termination of this lease.

§ 7.06. Tenant will indemnify and hold Landlord harmless against any claims, demands, damages, costs, and expenses, including reasonable attorney's fees for defending claims and demands, arising from the conduct or management of Tenant's business on the premises or its use of them; from any breach by Tenant of any conditions of this lease; or from any act of negligence of Tenant, its agents, contractors, employees, subtenants, concessionaires, or licensees in or about the premises. If any action or proceeding is brought against Landlord by reason of any such claim, Tenant, on notice from Landlord, will defend the action or proceeding by counsel acceptable to Landlord.

ARTICLE 8. DAMAGE OR DESTRUCTION OF PREMISES

§ 8.01. If the premises, or any structures or improvements on them, are damaged or destroyed by fire, tornado, hurricane or other casualty, Tenant must immediately give Landlord written notice of the damage or destruction, including a general description of the damage and, as far as known to Tenant, the cause of the damage.

§ 8.02. If any of the tanks on the premises are totally destroyed by fire, tornado, hurricane or other casualty by other than the negligence, gross negligence, or intentional tort of Tenant or any person in or about the premises with Tenant's express or implied consent, or if they are so damaged that rebuilding or repairs cannot reasonably be completed within twenty (20) working days at a cost not to exceed \$12,000.00, and the damage exceeds the insurance recovery, this lease will terminate, and rent will be abated for the unexpired portion of this lease, effective as of the date of written notification as provided in § 8.01 .

ARTICLE 9. CONDEMNATION

§ 9.01. If, during the lease term all of the premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or are sold to the condemning authority under threat of

condemnation, this lease will terminate, and the rent will be abated during the unexpired portion of this lease, effective as of the date the condemning authority takes the premises.

§ 9.02. Landlord is entitled to receive and retain the entire award in any condemnation proceedings, except for any portion attributable to trade fixtures, which Tenant is entitled to receive and retain. The termination of this lease will not affect the right to this award.

ARTICLE 10. DEFAULT

§ 10.01. If Tenant allows the rent to be in arrears more than fifteen (15) days after written notice of the delinquency, or remains in default under any other condition of this lease for fifteen (15) days after written notice from Landlord, Landlord may, at its option, without notice to Tenant, terminate this lease, or, in the alternative, Landlord may reenter and take possession of the premises and remove all persons and property without being considered guilty of any manner of trespass and may (but is not required to) relet the premises (or any part of them) for all or any part of the remainder of the lease term, to a party satisfactory to Landlord and at the monthly rental as Landlord can secure with reasonable diligence. If Landlord cannot relet after reasonable efforts to do so or if the monthly rental is less than the rental Tenant was obligated to pay under this lease (or any renewal of it) plus the expense of reletting, then Tenant must pay Landlord the amount of the deficiency.

Tenant and Landlord agree that, for the purpose of posting the notice required by Property Code Section 93.002(f), the "front door" of the leased premises is the gate accessing the premises off Marlin Road.

§ 10.02. If Tenant defaults in paying rent or any other sum due from Tenant to Landlord under this lease, Landlord has a lien on all fixtures, chattels, product or other property of any description belonging to Tenant that are placed in, or become a part of, the premises as security for rent due and to become due for the remainder of the current lease term and any other sum Tenant owes Landlord. This lien is not in lieu of, nor in any way affects, the statutory landlord's lien but is in addition to that lien, and Tenant grants Landlord a security interest in all of Tenant's property placed in or on the premises for purposes of this contractual lien. This does not prevent Tenant's selling any merchandise in the ordinary course of business free of such Landlord's lien. If Landlord exercises the option to terminate the leasehold, reenter, and relet the premises as provided in the preceding paragraph and gives Tenant reasonable notice of the intent to take possession and an opportunity for a hearing on the matter, Landlord may take possession of all of Tenant's property on the premises and sell it at public or private sale after giving Tenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, for cash or on credit, for the prices and terms that Landlord considers best, with or without having the property present at the sale. The proceeds of the sale will be applied first to the necessary and proper expense of removing, storing, and selling the property, then to the payment of any rent due or to become due under this lease; any balance will be paid to Tenant.

§ 10.03. All Landlord's rights and remedies under this Article are cumulative, and none will exclude any other right or remedy provided by law or any other provision of this lease. All the consistent rights and remedies may be exercised and enforced concurrently and whenever occasion for their exercise arises.

§ 10.04. Landlord's waiving a breach of this lease does not constitute a continuing waiver or a waiver of any subsequent breach.

ARTICLE 11. ASSIGNMENT AND SUBLEASE

§ 11.01. a. Tenant may not sublet, assign, encumber, or otherwise transfer this lease, or any right or interest in it or in the premises or the tanks, without Landlord's written consent. If Tenant sublets, assigns, encumbers, or otherwise transfers its rights or interests in this lease or in the premises or the improvements on them without Landlord's written consent, Landlord may, at its option, declare this lease terminated. If Landlord consents in writing to an assignment, sublease, or other transfer of all or any of Tenant's rights under this lease, the assignee or subtenant must assume all of Tenant's obligations under this lease, and Tenant will remain liable for every obligation under the lease. Landlord may not arbitrarily or unreasonably withhold consent under this section.

b. As a condition precedent to the Tenant's right to sublease the property or to assign this lease, the Tenant must, at the Tenant's own expense, fulfill all of the Tenant's environmental obligations under Article 3 of this lease. If this condition is not satisfied, the Landlord has the right to withhold consent to any proposed sublease or assignment.

§ 11.02. Landlord may assign or transfer any of its interests under this lease.

ARTICLE 12. MISCELLANEOUS

§ 12.01. All notices required under this lease may be given by the following method:

By certified mail, return receipt requested, addressed to the proper party, at the following addresses:

Landlord: LDL COASTAL, L.L.P.
1177 West Loop South, Suite 1725
Houston, Texas 77027

Tenant: ECO-TERRA TECHNOLOGIES GROUP, L.L.C.
P. O. Box 940066
Houston, Texas 77094

Notices are effective when received. Either party may change the address to which notices are to be sent by sending written notice of the new address to the other party in accordance with the provisions of this section.

§ 12.02. This agreement binds, and inures to the benefit of, the parties to the lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when this agreement permits.

§ 12.03. This agreement is to be construed under Texas law, and all obligations of the parties created by this lease are performable in Brazoria County, Texas.

§ 12.04. If one or more of the provisions contained in this agreement are for any reason held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of the agreement, which will be construed as if it had not included the invalid, illegal, or unenforceable provision.

§ 12.05. This agreement constitutes the parties' sole agreement and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter.

§ 12.06. No amendment, modification, or alteration of this agreement is binding unless in writing, dated subsequent to the date of this agreement, and duly executed by the parties.

§ 12.07. The rights and remedies provided by this lease are cumulative, and either party's using any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

§ 12.08. If, as a result of either party's breaching this agreement, the other party employs an attorney to enforce its rights under this lease, then the breaching or defaulting party will pay the other party the reasonable attorney's fees and costs incurred to enforce the lease.

§ 12.09. Neither Landlord nor Tenant is required to perform any term or covenant in this lease so long as performance is delayed or prevented by *force majeure*, which includes acts of God, strikes, lockouts, or labor restrictions by any governmental authority, civil riot, war, hurricanes, floods, and any other cause not reasonably within Landlord's or Tenant's control and that Landlord or Tenant cannot, by exercising due diligence and paying money, prevent or overcome, in whole or part.

§ 12.10. Time is of the essence of this agreement.

The undersigned Landlord and Tenant signed this agreement on the date indicated at Houston, Harris County, Texas.

LANDLORD:

LDL Coastal, L.L.P.

Acting through LDL MANAGEMENT, L.L.C.,
its Managing Partner.

LDL MANAGEMENT, L.L.C.

By: Morris B. Linder
Morris B. Linder, President

Date Signed: 4/1/02

TENANT:

ECO-TERRA Technologies Group, L.L.C.

By: John E. Garnsey
John E. Garnsey, President

Date Signed: 4/1/02

Delivered
3/26/03
(See AOL Management
FILE)
↓

Airbill NO. 7922-1582-8874

Request For Overnight Shipping

Date 3-25-2003

From JANICE BIVENS Mail Code GSF-AC

Ship To: Name ALLEN B. DANIELS

SERVICE REQUIRED:

Address 1177 W. LOOP SOUTH

☐ Delivery Next Business Day

SUITE 1725

☐ Saturday Delivery

HOUSTON, TX 77027

☐ Other

Phone number: * 713-626-0215

X J. Clark Sr. J. Bivens

I certify that Overnight Shipping is absolutely mission essential.

* Recipients phone number is mandatory, we cannot ship without it.